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Report Highlights:

Total production in MY 2005 is forecast at 75.6 million metric tons (mmt) given normal weather conditions in late spring and summer and assuming domestic demand for feed increases. Exports will increase by 325,000 metric tons to 7.65 mmt, while imports will remain at 2.5 mmt. Feed domestic consumption will increase slightly as more barley is fed. Given the lower expected crop and relative price stability for farmers, federal grain interventions will not play a significant role in 2005. No other significant changes in domestic policies are foreseen. Any other significant changes in domestic policies are not foreseen.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
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General Outlook for 2005

Production

The Ministry of Agriculture (MinAg) forecasts the 2005 total crop at 75-80 mmt from 32.8 million hectares sown to spring grains, a slight increase from last year, and 14 million hectares sown to winter grains, 2.6 million hectares more than last year. According to some estimates as of the beginning of March 2005, winter grains were seriously damaged on 1.1-1.2 million hectares in the Volga Valley Federal District, less than nine percent of the total sown area. The overall winter kill is still estimated lower than last year, but continued cold weather and snow could aggravate the situation decreasing winter grain yields and delaying spring sowing in the European part of the country. Given this, a more realistic forecast for MY 2005 is 75.6, 2.3 mmt lower than last year.

Inputs Supply

The financial status of grain farmers improved in 2004 due to sustained high prices. However, input supply prices increased and most farmers still cannot afford more efficient cultivators, tractors, harvesters, and chemicals. So, the quality of grain farming will not improve in 2005 and production will continue to depend on weather.

Despite some improvements in the supply of farm machinery, the quality of the existing fleet continued to deteriorate faster than new machines can be put into use. As of February 1, 2005, the fleet of machines in agricultural enterprises (individuals and private farmers do not report on machinery) was: 615,000 tractors (2.5 percent more than last year), 166,000 grain harvesters (4.4 percent more than last year), 45,000 green mass choppers (only one percent more), 183,000 plows, 211,000 cultivators, and 262,000 seeders. As of February 15, 2005, the provision of farms with tractors was only forty-six percent of the estimated need, seeders was 74 percent, grain harvesters was 49 percent, cultivators was 54 percent, plows was 32 percent, and green feed choppers was 62 percent. While "need" is not a true economic measure, these figures do show that the supply of machines and equipment is not sufficient for farmers to significantly improve agronomic practices, lengthening the time required for planting, treating fields, and harvesting longer than the weather requires and increasing crop losses at all stages of cultivation.

High fuel prices are hitting farmers as they prepare for spring planting and the treatment of winter crops. The price of gas increased by thirty-five percent from December 2003 to December 2004 and more growth was expected during the first few months of 2005. Diesel fuel prices increased even sharper, sixty percent during the same time period. According to MinAg, fuel and lubricant expenses could account for thirty percent of the cost of production in 2005. At the beginning of the year, agricultural enterprises had stocks of 197,000 metric tons of diesel fuel and 74,000 metric tons of gas, or fifteen percent more than on the same date last year. However, experts believe the fuel supply will remain the main bottleneck in the input supply chain. MinAg estimated farmers' demand for diesel fuel in 2005 will reach 6.6 mmt and demand for gas will reach 2.8 mmt. The main sources for financing the purchase of fuel will be bank loans on "soft term" (1/3 of the commercial rate) interest rates.

Fertilizer and chemical prices also increased, but at a slower rate than fuel. However, in 2005, the growth in these prices may accelerate due to an increase in fertilizer exports stemming from the recent resolution of the GOR #122 of March 10, 2005 lifting duties on exports of mineral fertilizer containing nitrogen, phosphorus, and potassium beginning in mid-April, 2005. On the other hand, the area sown to grains decreased significantly in the last decade and therefore, so did total fertilizer use. According to MinAg's estimates, stocks

of mineral fertilizer as of March 1, 2005 in farms and agribusiness companies are the same as last year.

The availability of "saved" planting seeds used by most farmers increased due to last year's larger crop. Vertical integration in grain production is not widespread and, so only some malting barley and durum wheat farmers are supplied with improved high quality seeds by processing companies (See GAIN RS5011).

Consumption

Total consumption is forecast at 70.9 mmt, 300,000 metric tons more than last year. Domestic feed consumption is forecast to increase from 33.3 mmt to 33.9 mmt, mostly due to an increase in the consumption of feed barley. Corn feed consumption is forecast to remain at 3.2 mmt, one of the highest levels during the last ten years.

A small, 65,000 metric ton increase in food consumption to 22.26 mmt is forecast due to higher rye consumption. Food consumption has been relatively stable for several years.

Trade

Post forecasts grain exports will increase by 325,000 metric tons to 7.65 mmt due to increased exports of barley to 1.2 mmt. Large international companies are becoming bigger players in the Russian market and as a result, it is becoming more difficult to separate Russian and Ukrainian exports in data. Official data on exports are lower than actual exports owing to transparent borders among Russia, Kazakhstan, Ukraine, and Belarus.

International grain prices, ocean freight rates, and European import quotas are becoming more and more important for determining the volume and direction of Russian exports. However, in MY 2005, competition with domestic consumption is forecast to increase due to higher demand from the feed industry.

Imports are forecast at 2.5 mmt, including 1.2 mmt of wheat, 400,000 metric tons of malting barley, 360,000 metric tons of rice, and 550,000 metric tons of corn.

Tariffs

Import tariffs for all grains except rice are five percent of the customs value. Last year's temporary (nine months) duty-free regime for imports of corn expired on October 25, 2004, and was not extended. The present import tariff for rice became ten percent of the customs value when the force of the previous nine months' regime of 10 percent but not less than 0.03 euro per 1 kg expired in January 2005. However, starting mid-April, rice import duties will be 0.07 euro per 1 kg (See GAIN RS5019).

Exports of grain are not subject to export duties.

Stocks

Post forecasts total grain stocks will decrease to 7.8 mmt from an estimated 8.25 mmt at the end of MY 2004. This level of stocks is considered normal given the stability of exports, domestic food grain consumption and demand from the small feed industry.

Policy

Grain imports and exports in the beginning of 2005 were hampered by the liquidation of the State Grain Inspection Service (SGI), which issued quality certificates. Certificates continued to be required by Customs at the point of entry and exist hampering trade. The problem was temporary resolved when the Federal Customs Service (FCS) allowed the conditional release of the commodities without the certificates (See GAIN RS5017). The regime of "conditional release" will last until the new legislation is developed for quality certification of exported grain and, according to experts, it may take months. In the meantime, large exporting companies are using quality certificates issued by international grain certification agencies.

The GOR will soon approve the traditional scheme of seasonal (spring sowing) support for agricultural producers. These measures will be the same as described in last year's annual report (See GAIN RS4018), with some small changes in the funding level for soft-term loans and compensation of cash shortfalls connected with seasonal financial support. However, agricultural policy in Russia has not changed and the overall agricultural policy law has not been adopted as was planned last year.

Marketing

The share of grain sold commercially continues to increase, although official data is not available. According to experts, grain remains one of the few products that brings returns to farmers, unlike livestock, and farmers have been increasing the amount of grain they sell, instead of feeding it.

A Final Outlook for 2004

Planted and Harvested Area, Production, Yields

Total output in MY 2004 reached nearly 78 mmt, a sixteen percent increase from 2003 because of larger winter wheat and corn crops. Gains in production were achieved mostly because of higher yields, while the sown area was the second lowest since the end of 1950s.

Table 1. Total Grain Area Planted, 1996-2004, 1,000 Hectares

	1996	1997	1998	1999	2000	2001	2002	2003	2004 (prelim)
Wheat, total	25721	26056	26101	23022	23204	23765	25662	22130	23978
- winter	9321	8944	8246	7609	7926	8525	10113	7356	NA
- spring	16400	17112	17855	15413	15278	15240	15549	14774	NA
Barley, total	11853	12517	11285	9855	9237	10127	10279	10110	9954
- winter	460	490	345	419	533	648	677	460	NA
- spring	11393	12027	10938	9436	8644	9479	9602	9650	NA
Rye	4129	4005	3777	3393	3559	3634	3804	2349	1893
Oats (spring)	6929	6438	5229	5336	4581	4869	4269	3722	3561
Corn for grain	954	918	787	704	813	684	625	719	899
Rice	173	151	146	173	175	154	149	155	131
Millet	1228	1086	975	1610	1588	1214	581	830	1028
Buckwheat	1369	1112	1226	1339	1577	1594	837	735	939
Legumes	1430	1340	1185	1098	922	1076	1214	1273	1223
Other	919	11	0	24	-20	103	604	31	30
Total	54705	53634	50711	46554	45636	47220	47474	42054	43636

Source: Goskomstat, "SovEcon"

Table 2. Grain Production, 1996-2004, 1,000 Metric Tons

	1996	1997	1998	1999	2000	2001	2002	2003	2004 (prelim)
Wheat, total	34917	44258	26908	30961	34455	46871	50609	34062	45306
- winter	16680	20550	13255	16178	17178	24400	29751	14665	25908
- spring	18237	23758	13653	14817	17277	22471	20858	19397	19398
Barley, total	15900	20786	9780	10604	14079	19466	18738	17968	17200
- winter	1300	1286	900	1446	1767	2300	2554	1193	1998
- spring	14600	19500	8880	9156	12312	17166	16184	16775	15202
Rye (winter)	5934	7478	3270	4781	5445	6613	7139	4151	2869
Oats (spring)	8300	9387	4583	4395	6008	7723	5694	5175	4948
Corn for grain	1087	2675	820	1067	1530	831	1541	2113	3458
Rice	389	328	413	444	586	497	483	450	465
Millet	446	1219	451	924	1123	548	292	975	1122
Buckwheat	485	630	464	578	998	570	304	525	650
Legumes	1793	1780	954	881	1199	1802	1764	1649	1874
Other	89	12	127	71	83	262	48	33	44
Total	69340	88553	47770	54706	65506	85183	86612	67101	77936

Source: Goskomstat, "SovEcon"

Consumption, Trade, Stocks

Domestic consumption in MY 2004 is estimated at 70.6 mmt, including 33.25 mmt of feed consumption and 22.2 of food consumption. Exports are estimated at over 7.3 mmt, including 6.5 mmt of wheat, while imports are estimated at 2.46 mmt. End of the year stocks are estimated at 8.2 mmt.

Wheat for 2005

Table 3. PSD, Wheat, 1,000 Metric Tons, 1,000 Hectares

PSD Table						
Country	Russian Federation					
Commodity	Wheat				(1000 HA)(1000 MT)	
	2003	Revised	2004	Estimate	2005	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		07/2003		07/2004		07/2005
Area Harvested	22150	22150	24000	24200	0	23500
Beginning Stocks	6133	6133	2645	2645	5445	4845
Production	34100	34100	45300	45300	0	42300
TOTAL Mkt. Yr. Imports	1026	1026	1500	1200	0	1200
Jul-Jun Imports	1026	1026	1500	1200	0	1200
Jul-Jun Import U.S.	14	14	0	0	0	0
TOTAL SUPPLY	41259	41259	49445	49145	5445	48345
TOTAL Mkt. Yr. Exports	3114	3114	6000	6500	0	6300
Jul-Jun Exports	3114	3114	6000	6500	0	6300
Feed Dom. Consumption	12500	12500	14000	13800	0	13850
TOTAL Dom. Consumption	35500	35500	38000	37800	0	37900
Ending Stocks	2645	2645	5445	4845	0	4145
TOTAL DISTRIBUTION	41259	41259	49445	49145	0	48345

Table 4. Import Trade Matrix, Wheat, 1,000 Metric Tons

Import Trade Matrix			
Country	Russian Federation		
Commodity	Wheat		
Time Period	July-June	Units:	1,000 MT
Imports for:	2003		2004
U.S.	24	U.S.	15
Others		Others	
Kazakhstan	972	Kazakhstan	1050
Lithuania	34	Lithuania	15
Germany	23		
Total for Others	1029		1065
Others not Listed	21		120
Grand Total	1074		1200

According to trade sources, in MY 2003 Russia imported 970,000 metric tons of wheat and 105,000 metric tons of wheat in grain equivalent, for a total of 1.07 mmt, or 48,000 metric tons more than the WTA data in the PSD table. The difference in the data is due to the transparency of Russian borders with other CIS countries and re-exports.

In July 2004 through January 2005, Russia imported almost 910,000 metric tons of wheat and flour (in grain equivalent), including 837,000 metric tons of wheat and 30,700 metric tons of wheat flour from Kazakhstan. The domestic price of wheat and flour decreased because of the larger crop and significant imports are not forecast for the rest of MY 2004. The import estimate is lowered to 1.2 million metric tons.

Table 5. Export Trade Matrix, Wheat, 1,000 Metric Tons

Export Trade Matrix			
Country	Russian Federation		
Commodity	Wheat		
Time Period	July-June	Units:	1,000 MT
Exports for:	2003		2004
U.S.	0	U.S.	0
Others		Others	
Ukraine	1150	Egypt	1350
Romania	550	Azerbaijan	730
Georgia	393	Georgia	450
Country Unknown	385	Israel	410
Egypt	220	Italy	300
Israel	165	Morocco	295
Greece	152	Greece	265
Albania	142	Tunisia	260
Moldova	136	Lebanon	235
Italy	129	Algeria	215
Total for Others	3422		4510
Others not Listed	588		1990
Grand Total	4010		6500

Despite a slight decrease in exports in February 2005 due to the liquidation of the SGI, total wheat exports in MY 2004 are estimated at 6.5 mmt.

Table 5 includes exports of 3.75 mmt of wheat grain in MY 2003 and 263,000 metric tons of wheat flour in grain equivalent. This data is derived from trade sources and does not coincide with the official Customs data given in the WTA and in the PSD table due to larger than officially reported exports of Russian grain through transparent borders with the Ukraine, and some re-exports of Kazak grain through Russia. The difference is 896,000 metric tons, including 383,000 metric tons of officially non-reported exports to unknown countries, 229,000 metric tons of exports to Ukraine, 117,000 metric tons of exports to Romania, and 94,000 metric tons of officially non-reported exports to Georgia.

Barley for 2005

Table 6. PSD, Barley, 1,000 Metric Tons, 1,000 Hectares

PSD Table						
Country	Russian Federation					
Commodity	Barley				(1000 HA)(1000 MT)	
	2003	Revised	2004	Estimate	2005	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		07/2003		07/2004		07/2005
Area Harvested	10100	10500	9450	10000	0	10100
Beginning Stocks	4706	4706	2227	2227	2327	2327
Production	18000	18000	17200	17200	0	17600
TOTAL Mkt. Yr. Imports	439	439	400	400	0	400
Oct-Sep Imports	475	475	400	400	0	400
Oct-Sep Import U.S.	0	0	0	0	0	0
TOTAL SUPPLY	23145	23145	19827	19827	2327	20327
TOTAL Mkt. Yr. Exports	2318	2318	1000	800	0	1200
Oct-Sep Exports	1736	1736	1000	800	0	1200
Feed Dom. Consumption	13700	13700	11700	11900	0	12250
TOTAL Dom. Consumption	18600	18600	16500	16700	0	17000
Ending Stocks	2227	2227	2327	2327	0	2127
TOTAL DISTRIBUTION	23145	23145	19827	19827	0	20327

Imports of barley will remain at 400,000 metric tons. In July – January 2005, Russia already imported 189,000 metric tons of barley, three times more than in the same period last year. However, imports of barley are not expected to exceed last year's level, because domestic demand for malting barley is being met by the same stable quantity, while demand for feed barley is met by domestic grain that was not exported.

Table 7. Import Trade Matrix, Barley, 1,000 Metric Tons

Import Trade Matrix			
Country	Russian Federation		
Commodity	Barley		
Time Period	July-June	Units:	1,000 MT
Imports for:	2003		2004
U.S.		U.S.	
Others		Others	
Denmark	209	Denmark	165
Kazakhstan	145	Kazakhstan	85
France	48	France	35
Sweden	26	Sweden	25
European Union	5	Ukraine	20
Finland	2	Lithuania	2
Total for Others	435		332
Others not Listed	4		68
Grand Total	439		400

The barley trade matrix is based on experts' data from analytical sources. In MY 2003, exports to unknown countries were in second place after exports to Saudi Arabia, to bring total exports to 3.08 mmt, almost 760,000 metric tons more than the official data. The MY 2004 export forecast is lowered to 800,000 metric tons. By the beginning of February 2005, Russia's actual exports were 546,000 metric tons, four times less than in the same period last year, including exports to Saudi Arabia of only 158,000 metric tons, almost six times less than in the same period last year.

Table 8. Export Trade Matrix, Barley, 1,000 Metric Tons

Export Trade Matrix			
Country	Russian Federation		
Commodity	Barley		
Time Period	July-June	Units:	1,000 MT
Exports for:	2003		2004
U.S.		U.S.	
Others		Others	
Saudi Arabia	1202	Saudi Arabia	300
Country Unknown	664	Israel	200
Israel	356	Iran	65
Libya	197	Libya	60
Cyprus	169	Italy	30
Italy	93	Lebanon	25
Ukraine	81	Jordan	20
Greece	79	Greece	15
Lebanon	40	Azerbaijan	15
Romania	35		
Total for Others	2916		730
Others not Listed	163		70
Grand Total	3079		800

Rye for 2005

Table 9. PSD, Rye, 1,000 Metric Tons, 1,000 Hectares

PSD Table						
Country	Russian Federation					
Commodity	Rye				(1000 HA)(1000 MT)	
	2003	Revised	2004	Estimate	2005	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		07/2003		07/2004		07/2005
Area Harvested	2350	2350	1900	2000	0	2300
Beginning Stocks	1805	1805	355	355	105	105
Production	4200	4200	2850	2870	0	3600
TOTAL Mkt. Yr. Imports	6	6	200	180	0	0
Oct-Sep Imports	6	6	200	180	0	0
Oct-Sep Import U.S.	0	0	0	0	0	0
TOTAL SUPPLY	6011	6011	3405	3405	105	3705
TOTAL Mkt. Yr. Exports	156	156	0	0	0	100
Oct-Sep Exports	31	31	5	5	0	0
Feed Dom. Consumption	1100	1100	300	300	0	300
TOTAL Dom. Consumption	5500	5500	3300	3300	0	3400
Ending Stocks	355	355	105	105	0	205
TOTAL DISTRIBUTION	6011	6011	3405	3405	0	3705

In MY 2003, Russia exported 156,000 metric tons of rye. The bulk was exported to Ukraine, which suffered from severe drought, and the rest went to Spain, Israel, Italy, Turkey, and ten other countries. In MY 2004, Russia became a net importer of rye from Germany and Ukraine. Most of this rye (140,000 metric tons) was imported in October and November 2004, shortly after the low domestic rye crop became evident. Rye imports discontinued in December-January, but imports of another 40,000 metric tons are possible in the spring due to a decrease in rye prices in foreign markets.

Corn for 2005

Table 10. PSD, Corn, 1,000 Metric Tons, 1,000 Hectares

PSD Table						
Country	Russian Federation					
Commodity	Corn				(1000 HA)(1000 MT)	
	2003	Revised	2004	Estimate	2005	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		10/2003		10/2004		10/2005
Area Harvested	700	700	900	900	0	950
Beginning Stocks	113	113	159	159	359	209
Production	2100	2100	3450	3450	0	3200
TOTAL Mkt. Yr. Imports	496	496	400	350	0	550
Oct-Sep Imports	496	496	400	350	0	550
Oct-Sep Import U.S.	60	60	0	0	0	0
TOTAL SUPPLY	2709	2709	4009	3959	359	3959
TOTAL Mkt. Yr. Exports	0	0	0	0	0	0
Oct-Sep Exports	0	0	0	0	0	0
Feed Dom. Consumption	2150	2150	3100	3200	0	3200
TOTAL Dom. Consumption	2550	2550	3650	3750	0	3750
Ending Stocks	159	159	359	209	0	209
TOTAL DISTRIBUTION	2709	2709	4009	3959	0	3959

Increased domestic corn production led to lower imports from Ukraine and imports from other countries are hampered by unclear phytosanitary rules. The liquidation of commissions that registered GMO feeds also curtailed registration of new feed and corn lines. However, increased demand for feeding poultry, dairy cows and pigs will increase demand for imported corn in MY 2005, while domestic production may decrease due to natural weather fluctuations despite planned increases.

Table 11. Import Trade Matrix. Corn, 1,000 Metric Tons

Import Trade Matrix			
Country	Russian Federation		
Commodity	Corn		
Time Period	Oct-Sept.	Units:	1,000 MT
Imports for:	2003		2004
U.S.	53	U.S.	50
Others		Others	
Ukraine	410	Ukraine	250
Kazakhstan	12	Kazakhstan	10
China	10		
Brazil	3		
Yugoslavia	2		
Hungary	2		
Moldova	1		
Total for Others	440		260
Others not Listed	3		40
Grand Total	496		350

Oats for 2005

Table 12. PSD, Oats, 1,000 Metric Tons, 1,000 Hectares

PSD Table						
Country	Russian Federation					
Commodity	Oats				(1000 HA)(1000 MT)	
	2003	Revised	2004	Estimate	2005	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		07/2003		07/2004		07/2005
Area Harvested	3700	3700	3550	3550	0	3600
Beginning Stocks	580	580	189	189	239	239
Production	5200	5200	4950	4950	0	4900
TOTAL Mkt. Yr. Imports	9	9	0	0	0	0
Oct-Sep Imports	9	9	0	0	0	0
Oct-Sep Import U.S.	0	0	0	0	0	0
TOTAL SUPPLY	5789	5789	5139	5139	239	5139
TOTAL Mkt. Yr. Exports	0	0	0	0	0	0
Oct-Sep Exports	0	0	0	0	0	0
Feed Dom. Consumption	3900	3900	3300	3300	0	3400
TOTAL Dom. Consumption	5600	5600	4900	4900	0	4900
Ending Stocks	189	189	239	239	0	239
TOTAL DISTRIBUTION	5789	5789	5139	5139	0	5139

Rice for 2005

Table 13. PSD, Rice, 1,000 Metric Tons, 1,000 Hectares

PSD Table						
Country	Russian Federation					
Commodity	Rice, Milled				(1000 HA)(1000 MT)	
	2003	Revised	2004	Estimate	2005	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		01/2004		01/2005		01/2006
Area Harvested	155	155	130	130	0	150
Beginning Stocks	308	308	191	191	111	103
Milled Production	293	293	300	302	0	320
Rough Production	451	451	462	465	0	492
MILLING RATE (.9999)	6500	6500	6500	6500	0	6500
TOTAL Imports	350	350	350	330	0	360
Jan-Dec Imports	350	350	350	330	0	360
Jan-Dec Import U.S.	0	0	0	0	0	0
TOTAL SUPPLY	951	951	841	823	111	783
TOTAL Exports	45	45	10	10	0	0
Jan-Dec Exports	45	45	10	10	0	0
TOTAL Dom. Consumption	715	715	720	710	0	690
Ending Stocks	191	191	111	103	0	93
TOTAL DISTRIBUTION	951	951	841	823	0	783

Table 14. Import Trade Matrix, Rice, Milled, 1,000 Metric Tons

Import Trade Matrix			
Country	Russian Federation		
Commodity	Rice, Milled		
Time Period	Jan-Dec	Units:	1,000 MT
Imports for:	2004		2005
U.S.	2	U.S.	3
Others		Others	
China	130	China	100
Vietnam	108	Vietnam	70
Thailand	106	Kazakhstan	65
Kazakhstan	66	Thailand	60
Egypt	23	Egypt	20
Pakistan	7		
India	7		
Belgium	5		
Uzbekistan	2		
Spain	1		
Total for Others	455		315
Others not Listed	10		12
Grand Total	467		330

Actual imports of milled rice in CY 2004 were 467,000 metric tons. WTA data on imports of rice in January – November 2004 is 420,000 metric tons, and sources report that in December 2004 Russia imported another 47,000 metric tons. Imports in January 2005 nearly reached 55,000 metric tons. Hectic imports in December – January were stimulated by the threat of a tariff increase. Tariffs will be raised starting in mid-April (Gain Report RS5019), and the CY 2004 rice import estimate is lowered to 330,000 metric tons. However, a significant increase in domestic rice production is not possible in the short run, and the current import duty will likely not be extended. The import forecast for 2005 is raised to 360,000 metric tons to keep consumption at stable level.

Other Grains and Legumes for 2005

Post forecasts production of other grains and legumes (mostly millet, buckwheat and legumes) at 3.7 mmt an average crop. Trade will not be significant, half of production will be consumed as food, and 850,000 metric tons will be used as feed.